

Contact Charles Bradbury, 225-342-9199 or Rick Heck 342-6122

## **Office of Mineral Resources**

### **Data Required for Consideration of an Operating Agreement**

The staff of the Office of Mineral Resources, hence forth Staff, requires the following information to review an operator's request for an operating agreement. This information shall be presented and left with the Staff for evaluation on the day the operator meets with the Staff. Also a letter of transmittal will accompany this information.

### **Data Required prior to Meeting**

The Operator shall submit the following information 10 days prior to the meeting to Mr. Charles Bradbury for distribution to the Staff. No meeting will be scheduled until this information is provided:

1. Plat showing the acreage and a list of any unit(s) that might be involved in the proposal. If acreage involves only a single tract of state acreage then the applicant will present a plat that shows the maximum amount of acreage the well can drain;
2. A list of the well(s) involved in proposed operation, including well serial numbers.
3. A written description of the proposed tract;
4. Brief description of the circumstances leading to the need for an Operating Agreement giving the state lease number(s) along with statement that lease has expired and is or will be released;
5. Information sufficient to apprise the Staff as to how these circumstances fit the guidelines set forth in LA R.S. 30:209(4), and;
6. Description of the operation(s) proposed to establish production on the operating tract.

### **Data Required on Day of Meeting**

On the day of the initial meeting with the Staff, the operator shall submit the following information:

1. The letter of transmittal will include:
  - a. Amount of acreage requested with the proposed up front terms, including consideration and Effective State Production Interest (ESPI), and;
  - b. A request that the information remain CONFIDENTIAL.
2. The geologic data will include but is not limited to:
  - a. Structure map(s) of delineating the proposed reservoir and demonstrating that the reservoir is fully encompassed by the acreage requested;
  - b. Isopach map(s) of the proposed reservoir(s);
  - c. 1" and 5" log sections the proposed sand interval(s) with log header and scale attached. Proposed perforations should be marked on the log;
  - d. 1" and 5" log sections of adjacent wells within the reservoir;
  - e. Sidewall and/or conventional cores reports for proposed completion, and;
  - f. Hydrocarbon logs over the interval(s) that demonstrate productivity.
3. The engineering data will include but is not limited to:

- a. Historical well tests and production reports that summarize monthly production for all wells that have produced from the reservoir(s) involved in the operation;
  - b. Measured bottomhole or shut-in pressure data which demonstrate initial and current conditions of the reservoir;
  - c. Any drillstem, deliverability or transient pressure tests run to evaluate the reservoir;
4. The seismic data will include, but is not limited to:
  - a. For 3D surveys:
    1. One copy (full scale) of each inline, crossline, and arbitrary line that is critical in adequately defining the structure, pay, all trapping faults, amplitudes, critical well ties, etc. All critical wells must be located on the seismic sections;
    2. One copy of each contoured time-structure map generated over the OA area. Time contours must also include depths with the velocity survey used shown on the maps or otherwise referenced. All structure maps must include the complete inlines and crosslines;
    3. One copy of any amplitude map critical to the OA, and;
    4. One copy of all time-slices critical to defining traps, amplitudes, pay, etc.
  - b. For 2D Surveys, requires the same information described above, except for item 4., time-slices.
5. Economic data includes but is not limited to:
  - a. Description of tangible and intangible initial investment;
  - b. Monthly operating costs with supporting documentation;
  - c. Costs associated with the sale of hydrocarbon gas and liquids;
  - d. Offset lease royalty burden(s);
  - e. Listing of partners and joint operators involved in proposal;
  - f. A survey plat or plat that shows the participation of all tracts in the unit or proposed area of operation.
6. The Staff will review the information and request any additional information that may be required after the meeting.

### **Post Meeting Correspondence**

After the meeting is held, if the Staff determines that the proposal qualifies for an operating agreement, the applicant should send a letter to Mr. Frederick Heck's attention to have this proposal placed on the Legal and Title Committee agenda for the next State Mineral Board Meeting. At the meeting the State Mineral Board will need to grant the Staff of the Office of Mineral Resources authority to take the property out of commerce and negotiate an operating agreement.

Also after the meeting all data transmittal should be made to the attention of Mr. Charles Bradbury. If there are any questions concerning the process of the agreement, please call Mr. Bradbury at (225) 342-9199. Any questions concerning the language or terms for the agreement presented by the Staff should be directed to Mr. Frederick Heck, Chief Landman at (225) 342-6122.

**NOTE:** Failure to provide the information on the day of the initial meeting or any additional information requested in a timely manner will be grounds for the Staff to terminate operating agreement consideration.

CCB/8/22/03